OFFICE OF THE OMBUDSMAN

Financial Statements

AS AT MARCH 31, 2000

NATURAL JUSTICE • ADMINISTRATIVE FAIRNESS • COMPLAINT RESOLUTION

Office of the Ombudsman

Financial Statements

As at March 31, 2000

101-01560/

OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS

As at March 31, 2000

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AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Office of the Ombudsman as at March 31, 2000 and the statements of changes in net liabilities, operations, and changes in financial position for the year then ended. These financial statements are the responsibility of the Office's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Office of the Ombudsman has chosen to follow Alberta corporate government accounting policies and reporting practices as disclosed in Note 2. The corporate government accounting policies have been established by Alberta Treasury and are consistent across Alberta government organizations. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies the exceptions from generally accepted accounting principles that arise from following the accounting policies established by Alberta Treasury.

The following accounting policies are exceptions from generally accepted accounting principles:

Capital assets

The Office employs a policy of expensing capital asset purchases under $15,000 in the year of acquisition. Consequently, a significant amount of resources available to the Office for future use has been recorded as if it had been consumed. It is estimated that at March 31, 2000, assets have been understated and net liabilities overstated by approximately $213,000 representing the unconsumed cost of capital assets at that date.

If capital asset purchases expensed on acquisition in the current year and previous years had instead been capitalized, amortization on these assets would have been included in expenses of the current year. The value of capital asset purchases that were expensed in the current year exceeds the amount that would have been charged to amortization, overstating expenses for the year ended March 31, 2000 by $71,400.

Excluded direct costs

Accommodation and certain other administration costs incurred in the operation of the Office have not been included in expenses. These costs, estimated at $80,659 for accommodation only, are recorded by the government departments that paid the expenses on behalf of the Office of the Ombudsman.

In my opinion, except for the effects of the matters discussed in the preceding sections, these financial statements present fairly in all material respects, the financial position of the Office at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 24, 2000

OFFICE OF THE OMBUDSMAN

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2000

	2000	1999
Current assets:		
Cash	$ 250	$ 250
Advances	4,500	4,500
	$ 4,750	$ 4,750
Current liabilities:		
Accounts payable and accrued liabilities	$ 149,962	$ 73,320
Accrued vacation pay	88,039	76,826
	238,001	150,146
Net liabilities	(233,251)	(145,396)
	$ 4,750	$ 4,750

The accompanying notes are part of these financial statements.

OFFICE OF THE OMBUDSMAN

STATEMENT OF CHANGES IN NET LIABILITIES

FOR THE YEAR ENDED MARCH 31, 2000

	2000	1999
Net liabilities at beginning of year	$ (145,396)	$ (169,112)
Net operating results	(1,442,418)	(1,343,313)
Net transfer from general revenues	1,354,563	1,367,029
Net liabilities at end of year	$ (233,251)	$ (145,396)

The accompanying notes are part of these financial statements.

OFFICE OF THE OMBUDSMAN

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2000

	2000		1999
	Budget (Note 4)	Actual	Actual
Expenses: (Note 4)			
Voted:			
Salary, wages, and employee benefits		$ 1,092,303	$ 1,022,392
Supplies and services		338,902	315,052
	$ 1,587,000	1,431,205	1,337,444
Valuation adjustments (Note 2(b))			
Provision for vacation pay		11,213	5,869
Net operating results		$ (1,442,418)	$ (1,343,313)

The accompanying notes are part of these financial statements.

OFFICE OF THE OMBUDSMAN

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 2000

	2000	1999
Operating transactions:		
Net operating results	$ (1,442,418)	$ (1,343,313)
(Increase) decrease in advances	-	(2,000)
Increase (decrease) in accounts payable and accrued liabilities	76,642	(27,585)
Increase (decrease) in accrued vacation pay	11,213	5,869
Cash used by operating transactions	(1,354,563)	(1,367,029)
Financing transactions:		
Net transfer from general revenues	1,354,563	1,367,029
Net cash provided	-	-
Cash, beginning of year	250	250
Cash, end of year	$ 250	$ 250

The accompanying notes are part of these financial statements.

OFFICE OF THE OMBUDSMAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2000

Note 1 Authority and Purpose

The Ombudsman is an officer of the Legislature who operates under the authority of the Ombudsman Act. The net cost of the operations of the Office is borne by the General Revenue Fund of the Province of Alberta. Annual operating budgets are approved by the Select Standing Committee on Legislative Offices.

The Office of the Ombudsman promotes fairness in public administration within the Government of Alberta.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the Government of the Province of Alberta. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for these government policies. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

a) Reporting Entity

The reporting entity is the Office of the Ombudsman which is a Legislative Office, for which the Ombudsman is responsible.

The Office operates within the General Revenue Fund (the "Fund"). The Fund is administrated by the Provincial Treasurer. All receipts of the Office are deposited into the Fund and all disbursements made by the Office are paid from the Fund.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

b) Basis of Financial Reporting

Expenses

Expenses represent the costs of resources consumed during the year on the Office's operations.

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for employee's service relating to prior years.

Certain expenses, primarily for office space, and banking services, incurred on behalf of the Office by government departments are not reflected in the Statement of Operations.

Valuation Adjustments

Valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Assets

New systems development below $100,000 and other capital assets below $15,000 are expensed as acquired. Assets acquired by right or donation are recorded at nil cost.

Recorded assets of the Office are limited to cash and financial claims, such as advances to employees.

Liabilities

Liabilities include all financial claims payable by the Office at fiscal year end, except long-term disability benefits and certain pension benefits, which are reflected in the financial statements of Treasury Department on behalf of the Office.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

b) Basis of Financial Reporting (continued)

Net Liabilities

Net liabilities represent the difference between the recorded value of the assets of the Office and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of advances, accounts payable and accrued liabilities are estimated to approximate their book values.

Note 3 Lease Commitments

The Office leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2001	$ 1,725
2002	420
Total	$ 2,145

Note 4 Budget

Expenses:	
1999-00 authorized budget[a]	$ 1,587,000
1999-00 actual expenses (excluding valuation adjustments)	1,431,205
1999-00 unexpended (excluding valuation adjustments)	$ 155,795

[a] Legislative Assembly Estimates approved on April 25, 1999.

Note 5 Approval of Financial Statements

These financial statements were approved by the Senior Financial Officer and the Ombudsman.

Schedule 1

OFFICE OF THE OMBUDSMAN
SALARY AND BENEFITS DISCLOSURE
FOR THE YEAR ENDED MARCH 31, 2000

	2000				1999
	Salary [1]	Benefits and Allowances [2][3]	Other	Total	Total
Senior official					
Ombudsman	$ 111,486	$ 3,959	$ -	$ 115,445	$ 108,648

(1) Salary includes regular base pay, bonuses, lump sum payments and any other direct cash remuneration.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, professional memberships, moving expenses and tuition.

(3) Automobile is provided, but not included in benefits calculations.